

CAPSTONE TURBINE Corp
Form 10-Q
February 07, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2010

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-15957

Capstone Turbine Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

95-4180883
(I.R.S. Employer
Identification No.)

**21211 Nordhoff Street,
Chatsworth, California**
(Address of principal executive offices)

91311
(Zip Code)

818-734-5300

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer
(Do not check if a smaller reporting company)

Accelerated filer
Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant's common stock as of January 31, 2011 was 245,983,836.

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CAPSTONE TURBINE CORPORATION

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****CAPSTONE TURBINE CORPORATION AND SUBSIDIARY****CONDENSED CONSOLIDATED BALANCE SHEETS**(In thousands, except share amounts)
(Unaudited)

	December 31, 2010	March 31, 2010
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 27,470	\$ 47,270
Accounts receivable, net of allowance for doubtful accounts of \$281 at December 31, 2010 and \$121 at March 31, 2010	22,638	18,464
Inventories	15,245	19,645
Prepaid expenses and other current assets	3,037	1,335
Total current assets	68,390	86,714
Property, plant and equipment, net	6,641	8,247
Non-current portion of inventories	3,158	3,588
Intangible assets, net	3,893	4,643
Restricted cash	2,500	
Other assets	178	254
Total	\$ 84,760	\$ 103,446
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 17,303	\$ 15,338
Accrued salaries and wages	1,940	1,741
Accrued warranty reserve	864	1,036
Deferred revenue	1,882	923
Revolving credit facility	8,283	7,571
Current portion of notes payable and capital lease obligations	504	161
Warrant liability	11,816	26,803
Other current liabilities		3,026
Total current liabilities	42,592	56,599
Long-term portion of notes payable and capital lease obligations	34	141
Other long-term liabilities	294	274
Commitments and contingencies (Note 14)		
Stockholders' Equity:		
Preferred stock, \$.001 par value; 10,000,000 shares authorized; none issued		
Common stock, \$.001 par value; 415,000,000 shares authorized; 246,932,972 shares issued and 245,983,836 shares outstanding at December 31, 2010; 243,015,511 shares issued and 242,119,402 shares outstanding at March 31, 2010	247	243
Additional paid-in capital	726,496	721,408

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Accumulated deficit	(683,809)	(674,178)
Treasury stock, at cost; 949,136 shares at December 31, 2010 and 896,109 shares at March 31, 2010	(1,094)	(1,041)
Total stockholders' equity	41,840	46,432
Total	\$ 84,760	\$ 103,446

See accompanying notes to condensed consolidated financial statements.

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CAPSTONE TURBINE CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)
(Unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2010	2009	2010	2009
Revenue	\$ 24,159	\$ 15,986	\$ 59,133	\$ 45,233
Cost of goods sold	23,233	16,204	58,600	51,286
Gross margin (loss)	926	(218)	533	(6,053)
Operating expenses:				
Research and development	1,424	1,965	4,986	4,997
Selling, general and administrative	5,959			